

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

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SUBJECT: Update on State Legislation

ITEM NUMBER: 7a

ATTACHMENT(S): 3

ACTION: X

MEETING DATE: May 2, 2002

INFORMATION:       

PRESENTER: Ed Derman

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**SUMMARY OF LEGISLATION**

Staff has prepared the attached analyses and recommended positions on the following measures for the Board's consideration.

<u>Attachment</u>	<u>Bill Number</u>	<u>Author</u>	<u>Subject</u>
1	AB 2451	Salinas	Sick leave credit for part-time employees
2	AB 2646	Liu	One-year final compensation
3	Legislative Summary		

Mr. Derman will provide a verbal update at the meeting.

**Assembly Bill 2451**

**Assembly Member Salinas (As proposed to be amended)**

**Position:**

**Support (Staff recommendation)**

**Sponsor:**

**FACCC**

**Proponents:**

**CFT, CRTA**

**Opponents:**

**None known**

**SUMMARY**

Assembly Bill 2451 provides a part-time community college district employee covered by an alternative retirement plan, including the Cash Balance (CB) Benefit Program, and who retires after January 1, 2004 with a credit to his or her CB Benefit Program or alternative retirement plan account for each day of accumulated or unused sick leave that the employee would be entitled to receive on his or her last day of employment.

**HISTORY**

Chapter 1006, Statutes of 1998 (AB 1102—Knox) extends eligibility to receive credit at retirement for unused sick leave to members of the CalSTRS Defined Benefit (DB) Program who became members on or after 7/1/80 and who retire on or after 1/1/98.

**CURRENT PRACTICE**

Under current law, participants in alternative retirement plans are not required to receive credit in their retirement accounts for unused sick leave and other leaves of absence, and there is no provision for participants in the CB Benefit Program to receive such a credit in their account. DB Program members are, however, credited service for their unused sick leave at retirement. The unused sick leave credited to the DB Program member's account is equal to the number of days of accumulated and unused leave of absence for illness or injury divided by the number of days of service (which cannot be less than 175 days) the employer requires the member to perform in a school year during the member's final year of creditable service. For example, a member who accrued ten days of unused sick leave and was required to work 180 days per year would be granted .056 years of additional service credit ( $10/180 = .056$ ). Employers contribute an amount equal to .25 percent of each DB Program member's creditable earnings to pay the cost of crediting unused sick leave at retirement.

Currently, part-time community college instructors who accumulate unused sick leave lose these credits at retirement. Consequently, in order to take advantage of the unused sick leave credits prior to retirement, many employees take unplanned leave by calling in sick. According to the bill's sponsor, this costs districts significant amounts of money in lost staff time, replacement staff hours and canceled hours.

## **DISCUSSION**

This bill requires community college districts to contribute a specified amount to the accounts of part-time community college district employees who are covered by an alternative retirement plan, including the CB Benefit Program, upon retirement after January 1, 2004, based on the value of his or her unused sick leave. (The proposed amendments would clarify that this provision applies to any participant in an alternative retirement plan, not just one who participates in the CB Benefit Program.) The amount credited would equal four percent of the employee's highest hourly pay during his or her employment with the district, multiplied by the total number of hours of accumulated and unused leave of absence for illness or injury. A four percent employer contribution rate is consistent with the minimum employer contribution rate in the CB Benefit Program. Providing a credit to part-time community college participants is consistent with the treatment of benefits of part-time DB Program members, who currently receive service credit for unused sick leave at retirement.

The author's intent is to provide credit for unused sick leave at retirement for part-timers that is comparable to the DB Program's unused sick leave credit. A precise matching benefit would not be possible because the DB Program member receives additional service credit, while the credit provided in CB Benefit Program and alternative retirement plans is always cash. However, the formula proposed in this bill closely approximates the value of unused sick leave credit provided in the DB Program at retirement. The provisions of this bill would only apply to part-time employees who receive sick leave credit (i.e., unused leave of absence for injury or illness for which salary is allowed). This would provide a greater retirement benefit for those part-time employees who are paid while on sick leave and do not use the entire balance of their accrued sick leave.

Based on data reported to CalSTRS as of June 30, 2001, approximately 47,000 part-time faculty teach in California's community colleges. Of that total, CalSTRS estimates that between 20,000 and 30,000 participate in an alternative retirement plan subject to this bill. CalSTRS has no information, however, on how many of these part-time instructors accrue sick leave credit from their employment.

## **FISCAL IMPACT**

Benefit Program Costs – Any costs to the CB Benefit Program would be paid by increased employer contributions.

Administrative Costs – The total one-time costs to make changes to the System's information technology systems to accept additional payments from employers would exceed \$150,000. Ongoing costs would be minor and absorbable.

## **RECOMMENDATION**

Support. This bill would provide part-time community college instructors an opportunity to receive additional credit for unused sick leave and unused leaves of absence at retirement.

**Assembly Bill 2646**

**Assembly Member Liu (As introduced 2/22/02)**

**Position:**

**Support, if amended (Staff recommendation)**

**Proponents:**

**ACSA, CFT, and CTA**

**Opponents:**

**None known**

**SUMMARY**

Assembly Bill 2646 eliminates the current 25-year credited service requirement to base final compensation for active members of the California State Teachers' Retirement System (CalSTRS) Defined Benefit (DB) Program on the highest average annual compensation earnable by the member during 12 consecutive months, rather than the highest average annual earnable compensation during any period of three consecutive years.

**HISTORY**

Chapter 840, Statutes of 2001 (AB 135—Havice), prior to its enactment, would have eliminated the 25-year credited service requirement to base final compensation for active members of the DB Program on the highest average annual compensation earnable by the member during 12 consecutive months, rather than the highest average of the last three years.

Chapter 1028, Statutes of 2000 (AB 821—Assembly PER&SS) bases "final compensation" on the highest average annual compensation earnable by a member during a consecutive 12 month period of employment rather than highest three consecutive years for members with at least 25 years of credited service.

AB 2201 (Honda—2000), among other provisions, would have calculated final compensation on the highest 12 consecutive months. This bill was held in the Assembly Appropriations Committee.

**CURRENT PRACTICE**

The formula for calculating an unmodified allowance under the DB Program consists of three elements: (1) service credit, which is the number of full and partial years of credited service accumulated while employed for a school or community college; (2) age factor, which is the percent of pay for each year of service credit; and (3) final compensation. Up until 2001, final compensation was generally the highest average annual earnable compensation during any period of three consecutive years of paid employment covered by CalSTRS. Beginning January 1, 2001, for those members with at least 25 years of service credit, final compensation is calculated using the highest average annual compensation earnable during any period of 12 consecutive months while an active member of the DB Program. In addition, classroom teachers can qualify for highest single year final compensation upon execution of a written agreement

between the exclusive representative and the employer. The employer pays the present value cost of the increased benefit provided by highest single year final compensation.

For classified members of the California Public Employees Retirement System (CalPERS), such as clerical support and janitorial staff in the school districts, the highest annual compensation for 12 consecutive months is used to calculate final compensation. Prior to January 1, 2000, the highest average annual compensation over three years was used for classified and many other CalPERS members.

## DISCUSSION

This bill extends the basis of "final compensation" on the highest average 12 consecutive months to all DB Program members, without regard to the number of years of credited service. Changing the definition of final compensation from a three-year average to the highest single year for all CalSTRS members would create a basis for determining final compensation that is consistent with that used for state and classified workers covered by CalPERS, as well as an equitable method for all CalSTRS members. This change would affect about 32 percent of the members who retire.

## FISCAL IMPACT

Benefit Program Costs – Based on the June 30, 2000 actuarial valuation, this bill would have the following actuarial impact:

	<b>Present value cost (in millions)</b>	<b>Increase in annual contributions needed as a percent of payroll</b>
Normal cost increase of future service	\$985	0.291%
Actuarial obligation for prior service <sup>1</sup>	\$1,093	0.323%
<b>Total costs</b>	<b>\$2,078</b>	<b>0.614%</b>

<sup>1</sup> Amortized over 30 years

This actuarial impact would result in the following expenditures over the first three full fiscal years (in millions of dollars):

	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
Total benefit payment increase	\$2.7	\$7.4	\$12.8
Annual increase in contributions (funding) needed to fund benefit <sup>2</sup>	--	\$130	\$135

<sup>2</sup> Based on a payroll of \$21.1 billion in 2003-04, increasing by 4.25 percent annually

An estimate based on the upcoming June 30, 2001 valuation would likely be higher. The bill expresses legislative intent that the costs of the proposed benefit be paid from existing funds in

the Teachers' Retirement Fund. The June 30, 2001 actuarial valuation indicates that there are insufficient resources available in the DB Program to fund this benefit.

Administrative Costs – CalSTRS anticipates that the total one-time costs required to make changes to the System's corporate database would exceed \$150,000. Ongoing costs would be minor and absorbable.

## **RECOMMENDATION**

Support, if amended to identify a funding source to pay the cost of extending the basis of final compensation to all CalSTRS members. Basing final compensation on the highest 12 consecutive months would provide consistency for all CalSTRS members and equity with CalPERS members.

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

[illegible]

AB 131      AUTHOR:      Assembly Member Corbett  
 TITLE:      State conformity to EGTRRA rollover and service credit provisions  
 AMENDED:   4/4/02  
 LOCATION:   To Governor  
 BOARD POSITION: Support, if amended\*

**SUMMARY:** Conforms California law to the rollover and service credit purchase provisions of EGTRRA. Permits members retiring in 2002 to purchase service credit with newly authorized rollover funds.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – None known

0 – None known

AB 1122      AUTHOR:      Assembly Member Corbett  
 TITLE:      Conformity with federal tax changes to pension law  
 AMENDED:   4/3/02  
 LOCATION:   Senate Floor  
 BOARD POSITION: Support\*

SUMMARY: Among other things, conforms California law to the retirement plan provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – Governor Davis

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

AB 1710      AUTHOR:      Assembly Member Negrete McLeod  
 TITLE:      Part-time community college employee retirement plans  
 AMENDED:   2/20/02  
 LOCATION:   Senate Floor  
 BOARD POSITION: Support\*

**SUMMARY:** Requires community college districts to offer an alternative retirement plan and Social Security to all their part-time employees. Alternative retirement plans would impose a minimum employer contribution of 4 percent of the employee's salary and a minimum total contribution rate of 8 percent.

**COSTS:** Benefit program – No increased costs – potential annual employer savings of \$900,000.

Administrative – Implementation costs of \$50,000

P – FACCC  
O – None known

AB 1743      AUTHOR:      Assembly Member John Campbell  
 TITLE:      State conformity to EGTRRA  
 AMENDED:   1/29/02  
 LOCATION:   Assembly Revenue and Taxation  
 BOARD POSITION: Support\*

SUMMARY: Among other things, conforms California law to the retirement plan provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – None known  
O – None known



**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

AB 1744      AUTHOR:      Assembly Member Corbett  
                  TITLE:      State conformity to EGTRRA rollover and service credit provisions  
                  AMENDED: 1/31/02  
                  LOCATION: Assembly Appropriations  
                  BOARD POSITION: Support, if amended\*

**SUMMARY:** Conforms California law to the rollover and service credit purchase provisions of EGTRRA. Permits members retiring in 2002 to purchase service credit with newly authorized rollover funds.

COSTS:           Benefit program – None

                      Administrative – Minor and absorbable

P – None known  
O – None known

AB 2137	AUTHOR:	Assembly Member Lowenthal
	TITLE:	Additional credited service for teaching in low performance schools
	LOCATION:	Assembly PER&SS
	BOARD POSITION:	Pending

**SUMMARY:** Provides two additional years of service credit, at employer expense, to specified members with National Board certification who perform three years of credited service after January 1, 2003 in a low performing school.

COSTS:      Benefit program – Increased costs paid by employer

                 Administrative – Pending

P – None known  
O – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

AB 2174      AUTHOR:      Assembly Member Lowenthal  
 TITLE:      Actuarial age factors  
 LOCATION:   Assembly PER&SS  
 BOARD POSITION: Pending

**SUMMARY:** Changes age factors for new members to factors that are actuarially adjusted. (Spot bill)

**COSTS:** Benefit program – None

Administrative – None

P – CTA

0 – None known

AB 2451      AUTHOR:      Assembly Member Salinas  
 TITLE:      Sick leave credit for part-time employees  
 AMENDED:   4/8/02  
 LOCATION:   Assembly PER&SS  
 BOARD POSITION: Support, if amended (Staff recommendation)

**SUMMARY:** Permits part-time community college employees to have value of unused sick leave at the time of retirement credited, at employer expense, to their existing alternative retirement plan account or Cash Balance Benefit Program account.

**COSTS:** Benefit program – Increased cost paid by employer

Administrative – Pending

P – FACCC

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

AB 2506      AUTHOR:      Assembly Member Steinberg  
                  TITLE:      Tax-deferred investment product certification  
                  AMENDED: 4/11/02  
                  LOCATION: Assembly PER&SS  
                  BOARD POSITION: Support, if amended\*

**SUMMARY:** Establishes program in CalSTRS to register tax-deferred investment products that may be offered by school districts and county offices of education to their employees.

**COSTS:** Benefit program – None

Administrative – Total one-time cost of \$500,000 and annual ongoing costs of \$75,000, reimbursed by vendor fees.

P – UTLA

0 – None known

AB 2646      AUTHOR:      Assembly Member Liu  
                  TITLE:      One-year final compensation  
                  LOCATION: Assembly Appropriations  
                  BOARD POSITION: Support, if amended (Staff recommendation)

**SUMMARY:** Eliminates the 25-year credited service requirement to base final compensation on the highest 12 consecutive months.

**COSTS:** Benefit program – Present value cost of \$2.0 billion over 30 years

Administrative – Pending

P – ACSA, CFT, CTA

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

AB 2767      AUTHOR:      Assembly Member Pavley  
 TITLE:      Service credit for teaching in teacher shortage discipline  
 AMENDED:   4/11/02  
 LOCATION:   Assembly PER&SS  
 BOARD POSITION: Pending

**SUMMARY:** Permits granting of up to 10 years service credit, at employer expense, for new or returning members who teach 5 years in teacher shortage discipline.

**COSTS:** Benefit program – Increased costs paid by employer

Administrative – Pending

P – Author

0 – None known

AB 2982      AUTHOR:      Assembly PER&SS Committee  
 TITLE:      CalSTRS technical housekeeping  
 AMENDED:   4/8/02  
 LOCATION:   Assembly PER&SS  
 BOARD POSITION: Sponsor\*

**SUMMARY:** Makes a variety of technical and conforming changes to the Teachers' Retirement Law to improve system administration.

**COSTS:** Benefit program – None

Administrative – None

P – CalSTRS

O – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

ACR 55      AUTHOR:      Assembly Member Migden  
 TITLE:      Shareholder resolutions on costs of AIDS drug treatments  
 AMENDED:   3/7/02  
 LOCATION:   Assembly PER&SS  
 BOARD POSITION: Pending

**SUMMARY:** Encourages California's public employee retirement systems to support shareholder resolutions to reduce HIV and AIDS drug costs in less developed countries.

**COSTS:** Benefit program – None

Administrative – None

P – None known

O – None known

SB 461      AUTHOR:      Senator Torlakson  
 TITLE:      Catastrophic Prescription Drug Insurance Program  
 AMENDED:   1/29/02  
 LOCATION:   Assembly PER&SS and Assembly Health  
 BOARD POSITION: Support, if amended\* (prior version)

**SUMMARY:** Creates a catastrophic Prescription Drug Insurance Program to provide high deductible coverage for prescription drugs to retired members of the Defined Benefit (DB) Program with unspecified minimum levels of credited service.

**COSTS:** Benefit program – Present value cost of \$425 million to \$650 million over 10 years, depending on plan features

Administrative – At least \$1 million in implementation costs

P – ACSA, CFT, CRTA, CTA, FACCC

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

SB 657      AUTHOR:      Senator Scott  
                  TITLE:      State conformity to EGTRRA  
                  AMENDED: 2/26/02  
                  LOCATION: Assembly Floor  
                  BOARD POSITION: Support\*

SUMMARY: Among other things, conforms California law to the retirement plan provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – CalPERS, Cal-Tax, California Society of Enrolled Agents, Great West Life and Annuity Insurance Company, San Benito County, San Luis Obispo County, Santa Cruz County, Valley Center Municipal Water District

O – None known

SB 728      AUTHOR:      Senator Machado  
                  TITLE:      Memorandum of Understanding  
                  LOCATION: Chapter 14  
                  BOARD POSITION: No Position\*

**SUMMARY:** Ratifies collective bargaining agreements that temporarily reduce member contributions rates to specified state members of CalSTRS and CalPERS.

**COSTS:** Benefit program – Minor and absorbable

### Administrative – Minor and absorbable

P – DPA

O – SPB

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

SB 1020      AUTHOR:      Senator Escutia  
 TITLE:      Middle school extended year  
 AMENDED:   6/4/01  
 LOCATION:   Assembly Education  
 BOARD POSITION: No Position\*

**SUMMARY:** Offers state fiscal incentives to school districts with schools that increase the school year in grades seven and eight and either grade six or nine by 20 days, or other specified days and hours for year round schools.

**COSTS:** Benefit program – Amortized cost of \$1 billion over 30 years from increased final compensation.

Administrative – Minor and absorbable

P – California League of Middle Schools, California Manufacturers and Technology Association, Long Beach Unified School District

0 – CTA, UTLA

SB 1256      AUTHOR:      Senator Brulte  
                  TITLE:      State conformity to EGTRRA  
                  AMENDED: 4/1/02  
                  LOCATION: Senate Revenue and Taxation  
                  BOARD POSITION: Support\*

SUMMARY: Among other things, conforms California law to the retirement plan provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – Hesperia Unified School District

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

SB 1315      AUTHOR:      Senator Sher  
 TITLE:      Centralized purchasing of prescription drugs  
 AMENDED:   2/25/02  
 LOCATION:   Senate Appropriations  
 BOARD POSITION: Support\*

**SUMMARY:** Requires specified agencies to join a statewide pool to purchase prescription drugs at a reduced cost and permits other state agencies, such as CalSTRS, to participate in pool.

**COSTS:** Benefit program – None

Administrative – None

P – California Public Interest Research Group

0 – None known

SB 1318      AUTHOR:      Senator Karnette  
 TITLE:      Employer payment of member contributions  
 AMENDED:   4/1/02  
 LOCATION:   Senate PE&R  
 BOARD POSITION: Support \*

**SUMMARY:** Allows an employer to pay all or part of a member's contributions to the DB and DBS Programs.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – FACCC, UTLA

0 – None known



**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

[illegible]

SB 1580      AUTHOR:      Senator Burton  
 TITLE:      Teachers' Retirement Board elections  
 AMENDED:   4/1/02  
 LOCATION:   Senate PE&R  
 BOARD POSITION: No position\*

**SUMMARY:** Requires the four members of the Teachers' Retirement Board that are appointed by the Governor to represent active and retired CalSTRS members to be elected by the members of the constituent group to which they belong.

**COSTS:** Benefit program – None

Administrative – Total costs for one election cycle would be approximately \$240,000.

P – CFT

0 – None known

SB 1746      AUTHOR:      Senator Polanco  
 TITLE:      Appointment of banking official to Board  
 LOCATION:   Senate PE&R  
 BOARD POSITION: No position\*

**SUMMARY:** Permits an elected official of a local agency to be appointed to the Teachers' Retirement Board if he or she otherwise meets the requirements as an appointed officer of a bank or savings and loan institution. Also deletes the requirement that the investment experience the officer has must be professional experience.

**COSTS:** Benefit program – None

Administrative – None

P – Author

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

SB 1983      AUTHOR:      Senator Soto  
 TITLE:      CalSTRS program changes  
 AMENDED:   4/10/02  
 LOCATION:   Senate Rules  
 BOARD POSITION: Sponsor of selected provisions\*

**SUMMARY:** Includes projected service and unused sick leave credits in qualifying for career-based benefit enhancements; modifies Options 6 and 7 to allow a member to choose an option beneficiary upon the death of the beneficiary and permits the Board to make investments related to employer-owned real estate, consistent with the Board's fiduciary duty and to the extent permitted under federal law.

**COSTS:** Benefit program – Total present value cost of \$84 million over 30 years (\$42 million for projected service and \$42 million for unused sick leave).

Administrative – None

## P – CalSTRS

0 – None known

SCA 2      AUTHOR:      Senator Burton  
 TITLE:      Legislative oversight over public pension support budgets  
 LOCATION:    Senate PE&R  
 BOARD POSITION: Pending

**SUMMARY:** Requires that expenditures for personnel, operating expenses and equipment for CalSTRS and CalPERS be approved in the annual Budget Act beginning in 2003-04, and authorizes the Governor and Legislature to request an independent actuarial review of CalSTRS and CalPERS.

**COSTS:** Benefit program – None

Administrative – Minor and absorbable

P – None known

0 – None known

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM**  
**LEGISLATIVE SUMMARY – REGULAR BOARD**  
**2001-2002 Regular Session – April 15, 2002**

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[illegible]

SJR 9            AUTHOR:     Senator Costa  
                  TITLE:       Foreign investments  
                  LOCATION: Senate B, C & IT  
                  BOARD POSITION: Support, if amended\*

**SUMMARY:** Requests that the President and Congress identify and place on a federal list, investments in foreign countries and businesses that pose a threat to the national security interests of the U.S. and to encourage appropriate federal measures to deny these entities access to capital from the U.S.

**COSTS:** Benefit program – None

Administrative – No direct fiscal impact

P – CalPERS

0 – None known

SR 22      AUTHOR:      Senator Dunn  
 TITLE:      Investments in wholesale energy companies  
 LOCATION:   Senate E, U & C  
 BOARD POSITION: No position, if amended (Staff recommendation)

SUMMARY: Requests that each state agency, including CalSTRS, consider whether or not to continue to own stocks, shares or other financial investments in or participate in a joint venture or partnership with any wholesale energy related business that has refused to comply with a subpoena issued by the Senate Select Committee to Investigate Price Manipulation of the Wholesale Energy Market.

**COSTS:** Benefit program – None

Administrative –None

P – None known

0 – None known

## LEGEND OF ABBREVIATIONS

P = PROPONENTS    O = OPPONENTS

### **ABBREVIATION**

### **ORGANIZATION**

AARP	American Association of Retired Persons, State Legislative Committee
AALA	Associated Administrators of Los Angeles
ACCCA	Association of California Community College Administrators
ACSA	Association of California School Administrators
AFSCME	American Federation of State, County and Municipal Employees
AFT	American Federation of Teachers
AGENCY	State and Consumer Services Agency
A.R.E.	Association of Retirees for Equity
ART	Association of Retired Teachers
BOE	Board of Equalization
BOG	Board of Governors, California Community Colleges
Cal-Tax	California Taxpayers Association
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers' Retirement System
CALPIRG	California Public Interest Research Group
CASBO	California Association of School Business Officials
CCA	Community College Association
CCAE	California Council for Adult Education
CCC	California Community Colleges
CCD	Community College District
CCPOA	California Correctional Peace Officers Association
CDE	California Department of Education
CFA	California Faculty Association
CFT	California Federation of Teachers
CNEC	California Network of Educational Charters
CPCA	California Police Chiefs' Association
CPFFA	California Professional Firefighters Association
CRTA	California Retired Teachers Association
CSAC	California State Association of Counties
CSBA	California School Boards Association
CSEA	California School Employees Association
CSL	California Senior Legislature
CSU	California State University
CTA	California Teachers Association
DOE	Department of Education
DOF	Department of Finance
DGS	Department of General Services
DPA	Department of Personnel Administration

## **LEGEND OF ABBREVIATIONS**

P = PROPONENTS    O = OPPONENTS

### **ABBREVIATION**

### **ORGANIZATION**

EGTRRA	Economic Growth and Tax Relief Reconciliation Act of 2001
FACCC	Faculty Association of California Community Colleges
F.A.I.R.	Faculty Attempting to Improve Retirement
FCPHE	Faculty Coalition for Public Higher Education
FTB	Franchise Tax Board
LACCD	Los Angeles Community College District
LADSA	Los Angeles Deputy Sheriffs' Association
LAUSD	Los Angeles Unified School District
OCDE	Orange County Department of Education
PARS	Public Agency Retirement System
PERF	Public Employees Retirement Fund
PORAC	Peace Officers Research Association of California
RPEA	Retired Public Employees Association
SACRS	State Association of County Retirement Systems
SBMA	Supplemental Benefit Maintenance Account
SCSA	State and Consumer Services Agency
SDCOE	San Diego County Office of Education
SEIU	Service Employees International Union
SLC	State Lands Commission
SSC	School Services of California
SSDA	Small School Districts' Association
START	State Teachers' Automation Redesign Team
TRB	Teachers' Retirement Board
TRF	Teachers' Retirement Fund
TRL	Teachers' Retirement Law
UTLA	United Teachers of Los Angeles

### **STANDING COMMITTEES OF THE ASSEMBLY/SENATE**

Assembly PER&SS	Assembly Public Employees, Retirement and Social Security Committee
Senate B, C&IT	Senate Banking, Commerce and International Trade Committee
Senate E, U & C	Senate Energy, Utilities and Communication Committee
Senate PE&R	Senate Public Employment and Retirement Committee